

1 September 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM : SA/DCI/IA

SUBJECT : Agenda for Meeting with McFarlane, 1 September 1982

The following items were proposed for your meeting today with Bud McFarlane and Walt Raymond:

- Lebanon. A discussion of the Lebanese situation in light of the PLO withdrawal. Specifically, you probably will want to focus on

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- Pipeline. [REDACTED] has provided a copy of the outline of the paper you asked for late Friday. You may wish to brief McFarlane on what we are attempting to do with this particular study, especially in light of today's Post article. [REDACTED] reports that the only written critic of the SOVA study was prepared by Robinson on the NSC Staff. He promised to send us a copy. He apparently faults the paper for what it does not say--similar to your complaint about the cost of disruptions and substitutions. In addition, McFarlane may

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- NFIB Meeting. You may want to brief McFarlane on the results of the NFIB meeting today, [REDACTED]

[REDACTED]

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- Poland. The above would lead directly into a discussion of the situation in Poland given the demonstrations yesterday. Moreover, you may wish to comment to McFarlane on your thoughts regarding a

[REDACTED]

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- World Oil Paper. You (DDCI) indicated that you would like to provide McFarlane a status report on our efforts to respond to Shultz' request for examination of world oil prospects over the next five years. OGI has provided outlines for the responses we are preparing.

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- SIG(I) Meeting. You may wish to have a brief follow-up discussion.
- Political Action Meeting. Similarly, you may wish to engage in some follow-up discussion of Monday's meeting outlining efforts to get the message out in support of US policies and ideals.
- In response to McFarlane's request for a briefing on Cuba's perceptions of US policy, you may wish to comment that you are aware that he will receive Thursday morning a briefing on the subject by 25X1
of the DDI.

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25X1NIO/NESA: [REDACTED]
31 August 1982Talking Points for 1 September MeetingPalestinians in North Lebanon and the Biqa' Valley

1. There are some 10,000 Palestinian fighters in North Lebanon and the northern Biqa' Valley. [REDACTED]

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2. Potential scenarios are frankly unpredictable and run the gamut from a decisive Israeli military push to mutual withdrawal to acquiescence in a continued Syrian and PLO presence in the area. One possible chain of events would be the following:

- Both Israelis and Syrians/Palestinians refuse to budge.
- Israelis strengthen their own and the Lebanese Christian's strategic positions by taking the mountain ridgelines and the Christian central Biqa' city of Zahlah.
- Syria and Israel eventually agree to phased withdrawals to the northern and southern ends of the country respectively. Palestinian elements remain in Syrian areas, and this situation is tolerated for the foreseeable future.

3. What makes this kind of non-definitive solution a real possibility is the following:

- Israel's essential interests have been met, and it would seem difficult to garner domestic support for yet another military campaign with concomitant casualties.
- Lebanese forces cannot clear the north for some time to come.
- Dispersal of 10,000 plus Palestinian fighters will not be easy after Beirut, and their remaining in these areas may be as good a solution as any other security-wise.

4. Although our policy is, of course, committed to a unified Lebanon, the emergence of an untidy situation such as the above may well be tolerable to our interests.

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